Industrial Companies (Special Provisions) Amendment Act, 1993 by the Board for Industrial and Financial Reconstruction on 18.12.95.

The company has been facing acute resource crunch owing to following reasons:-

(i) Low administered prices of coal fixed in the past not being commensurate with the high cost of production.

(ii) Payment of arrears of salary and wages pursuant to the National coal Wage Agreement-V.

(iii) Low productivity, particulary in the underground coal mines which are in a large number in the company

(iv) Large outstanding dues receivable by the company on account of crdit sales to State Electricity Boards, power houses and Steel Authority of India Limited.

(v) Poor geo-mining conditions coupled with built-up areas and mine fires as well as inundation in coal mines.

(c) In March, 1996, the Government deregulated pricing of coking coal and A,B and C grades of non-coking coal. Accordingly, Coal India Limited (CIL) has revised the prices of these grades with effect from 1.4.96 and again from 20.10.96. These revisions have improved the sales realisation of BCCL.

The Government has also granted waival of CIL's overdue nominal interest on outstanding plan loans upto 31.3.92 to the tune of Rs. 891.75 crores. A part of this waived amount was decided to be utilised to wipe out the accumulated loss of BCCL. The share of BCCL came to Rs. 502.75 crores and the same has been accounted for in the financial account of the company for the year 1995-96.

As on 31.3.96, the paid-up capital of the company stood at Rs. 1122 crores and the accumulated losses at Rs.1191 croes, thereby bringing the negative net worth down to Rs.61 crores. The CIL plans to adopt some other methods like financial restructuring and further financial support to BCCL to revive the ailing company.

New Customs Plan to Detect Frauds

496. DR. M. JAGANNATH : Will the Minister of FINANCE be pleased to state :

(a) whether India has submitted a new customs strategic plan at the regional contact point meeting of the customs administrations of the Asia-Pacific of the world customs organisations;

(b) if so, the details thereof;

(c) the outcome of the said meeting; and

(d) the steps taken to detect frauds by the customs authorities?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir. India has submitted a new Regional strategic Plan on Customs at the Sixth Meeting of the Regional Contact Points of the Customs administrations in September, 1996.

(b) The said Regional Strategic Plan identifies following five objectives that the Customs Administrations would strive to achieve over the next two years (1997-1998).

(1) Enhancement of the effectiveness of the customs Administrations.

(2) Harmonisation and Simplification of Customs Procedures and Practices.

(3) Effective implementation of the WTO Agreement on Valuation.

(4) Uniform application, updating and promotion of the Harmonised System.

(5) Human Resource Development.

(c) The Regional Contact Points Meeting approved the plan, subject to its endorsement by the Heads of Customs and also agreed to operationalise the same from January 1, 1997.

(d) The Plan has also identified steps to enchance co-operation amongst Customs Administrations and for greater sharing of information with a view to improve detection of frauds by them. These steps include negotation of bilateral or multilateral customs co-operation agreements, creation and strengthening of the Regional Intelligence Liaison Office at Hong Kong, Feasibility study for a mechanism to exchange commercial documents and training of officers in enforcement matters.

Besides, the Customs Department is making constant endeavour to upgrade the preventive and intelligence machinery and the skills of its officers and to improve collection of information and intelligence and targeting of riskprone consignments through the increased use of computerisation and profiling of importers and exporters.

Production of Coffee

497. SHRI S.D.N.R. WADIYAR : Will the Minister of COMMERCE be pleased to state :

(a) the target fixed for producing coffee in the Eighth Plan period and the achievements made so far; and

(b) the projection made for the production of coffee in the Ninth Plan?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The targets and achievements in the production of coffee

during the Eighth Plan are as under :-

(in tonne)

Year	Production Target	Achievements
1992-93	185500	169395
1993-94	191000	208000
1994-95	210000	180100
1995-96	225000	223000
1996-97	242000	

(b) the tentative projections proposed for the production of coffee in the Ninth Plan are as follows

(in tonne)

Year	Production Target
1997-98	225,000
1998-99	240,000
1999-00	260,000
2000-01	280,000
2001-02	3000,000

Experts Committee on Corporate Governance

498. SHRI SANDIPAN THORAT : Will the Minister of FINANCE be pleased to state :

(a) whether the Experts Committee on Corporate Governance has submitted its report to the Government;

(b) if so, the details of the important observations and recommendations made by the Committee;

(c) the reaction of the Government thereto; and

(d) the details of decisions taken thereon?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Government has not constituted any expert committee on corporate Governance. However, Government had suggested to some of the Financial Institutions namely IDBI, ICICI and UTI to study the practices of Corporate governance by major Indian Corporates vis-a-vis the recommendations of the Cadbury Committee.

(b) Few of the observations of the study are as follows:

- The best practices of corporate governance were followed by Corporates with low promoters' holding and those with strong influence of multinational collaborators.
- The number of board meetings should be at least 6 per year to ensure effective governance by the board.
- The non-executive directors together with nominees of financial institutions/banks should form a simple majority in the board.
- The presence of independent directors on the board could be restricted to 2-3 terms so as to ensure their independence.
- The prudent norms on short-term investments should be evolved and refined.
- The constitution of Audit Sub-Committees should be made a statutory requirement.

(c) and (d). Financial Institutions have discussed the matter with the Confederation of Indian Industry (CII) and CII has set up a task force on corporate Governance.

K.V.I.C.

499. SHRI G. VENKAT SWAMY : Will the Minister of INDUSTRY be pleased to state :

(a) whether according to the Action Plan approved by the Government Khadi and Village Industries Commission was to receive Rs.5600 crores (Rs.1865 crores through budgetary support and Rs.3735 crores through institutional finance); and

(b) if so, how much amount has since been released and by when the remaining amount is likely to be released?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). In accordance with the Action Plan prepared for implementing the recommendation of the High Power Committee for generating two million additional jobs through the Khadi and Village Industry (KVI) activities, a programme at an estimated outlay of Rs.5600 crores is required to be implemented by the Khadi and Village Industries Commission (KVIC).

Out of this estimated cost of the programme, 1/3rd amounting to Rs.1865 crores is to be met out of budgetary grants and the remaining 2/3rd amounting to Rs.3735 crores is to be raised from the banks and financial institutions. While KVIC has already launched the programme on 2nd October, 1995, the actual inflow of funds depends on the absorption capacity of the implementing agency and sanction of loans by the banks.

Government have released additional amount of Rs.130 crores last year for the programme and a budget provision for a similar amount has also been made during the current year of the programme. Government have also given a guarantee for a loan of Rs.1000 crores from the consortium of banks in favour of KVIC for on lending to viable KVI projects either directly by the KVIC or through the State KVI Boards. About Rs.325 crores have already been drawn by the KVIC from this line of credit.

Subsidence of Land in Jharia

500. SHRI BASUDEB ACHARIA : Will the Minister of COAL be pleased to state :

(a) whether the Government are aware that Jharia town is under serious threat of subsidence and the Katras More, Chouthai Kulhi, Pahari, Husenabad and